

## Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 02682 170715Z  
ACTION NEA-07

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 EB-04 SP-02  
L-01 TRSE-00 INR-05 CIAE-00 DODE-00 PM-03 /042 W  
-----170939Z 034605 /17

R 170705Z MAY 77  
FM AMEMBASSY KUWAIT  
TO SECSTATE WASHDC 8042  
INFO AMCONSUL DHAHRAN  
AMEMBASSY JIDDA  
AMEMBASSY TEHRAN

C O N F I D E N T I A L KUWAIT 2682

LIMDIS

E.O. 11652: GDS  
TAGS: ENRG  
SUBJECT: KUWAIT/AMINOIL TAX NEGOTIATIONS

WARNING: PROPRIETARY INFORMATION IN THIS CABLE SHOULD  
BE PROTECTED.

REF: KUWAIT 2248

1. MAY 10--END TO 45 DAY PERIOD FOR NEGOTIATIONS--HAS COME  
AND GONE WITHOUT ANY AGREEMENT ON TAX QUESTIONS BETWEEN  
AMINOIL AND KUWAITI GOVERNMENT. BEFORE HE RETURNED TO U.S.,  
AMINOIL PRESIDENT SUNDERLAND TOLD AMBASSADOR THAT DISTANCE  
BETWEEN TWO SIDES HAD NARROWED SLIGHTLY; AMINOIL STUCK TO  
ITS OFFER TO MAKE A RETROACTIVE PAYMENT OF \$31.7 MILLION.  
GOK MOVED FROM WILLINGNESS TO ALLOW PROFIT OF \$6 MILLION  
TO \$7.5 MILLION PER YEAR AND REDUCED CLAIM FOR RETROACTIVE  
PAYMENT FROM \$59 MILLION TO \$56.7 MILLION. AMINOIL  
SUGGESTED IT MIGHT BE WILLING TO RAISE ITS RETROACTIVE  
PAYMENT IF GIVEN A PERIOD OF 5 YEARS TO PAY  
WITHOUT INTEREST.

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2. IN SEPARATE CONVERSATION, AMINOIL LOCAL GENERAL  
MANAGER AND VP ISON TOLD US KUWAITI NEGOTIATING COMMIT-  
TEE CHAIRED BY OIL MINISTRY UNDERSECRETARY ADASANI NOW  
HAS TO REPORT ON THE DISCUSSIONS TO THE HIGHER PETROLEUM  
COUNCIL CHAIRED BY THE CROWN PRINCE/PRIME MINISTER.  
ISON COMMENTED THAT THE 45 DAY DEADLINE WAS PROBABLY

MORE A DEVICE TO GET THE KUWAITIS MOVING THAN A FIXED  
TIME FRAME. AMINOIL FEELS THE NEXT STEP IS UP TO THE  
KUWAITIS. SINCE AMINOIL PREFERS HAVING THE WHOLE MATTER  
REFERRED TO A HIGHER LEVEL OF THE GOK IT DOES NOT SEEM  
PARTICULARLY CONCERNED YET AT THE WAY NEGOTIATIONS HAVE  
BEEN GOING.  
MAESTRONE

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ROYALTIES, TAX CHANGES, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 17-May-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977KUWAIT02682  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770174-0913  
**Format:** TEL  
**From:** KUWAIT  
**Handling Restrictions:**  
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**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770549/aaaabqnq.tel  
**Line Count:** 69  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 12853d92-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** 77 KUWAIT 2248  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 17-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2490095  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KUWAIT/AMINOIL TAX NEGOTIATIONS WARNING: PROPRIETARY INFORMATION IN THIS CABLE SHOULD BE PROTECTED.  
**TAGS:** ENRG, EFIN, KU, AMINOIL  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/12853d92-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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